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North Carolina

Medicaid Pharmacy

Newsletter

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In This Issue...

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1-800-688-6696 or 919-851-8888

Medicare Part D

Beginning January 1, 2006, if a Medicaid recipient is entitled to Medicare Part A or B, federal law states that Medicaid CANNOT pay for this recipient's prescription drugs. This federal law also applies even when a recipient has not enrolled with a Medicare Part D Prescription Drug Plan or the Medicare Part D Prescription Drug Plan does not become effective until a future month. The pharmacy can submit a point of sale claim to Wellpoint, which is Medicare's transitional or temporary Part D Prescription Drug Plan.

Wellpoint's phone number is 1-800-662-0210. If a pharmacy is having problems filing with Wellpoint, they can contact Medicare's pharmacy consultants: Dr. Denise Stanley at 404-562-7366 or Dr. Carla Jones at 404-562-7228.

The list of drug classes that are currently excluded under the Medicare Part D drug plans, which Medicaid may consider for payment, are included in this newsletter.

If a pharmacy receives a denial to bill Medicare, and the Medicaid recipient is no longer entitled to Medicare Part A or B or the Medicaid recipient's Medicare is not effective until a future month, the pharmacy can call the DMA Claims Analysis Unit, at 919-855-4045 to have the recipient's Medicaid file corrected.

NC Medicaid Coverage Information for the Excluded Drug Classes under Medicare Part D

Beginning January 1, 2006, NC Medicaid recipients with Medicare will start receiving their drugs through a Prescription Drug Plan (PDP). The PDPs will have formularies of drugs that are covered and noncovered. If a client is prescribed a noncovered drug, NC Medicaid will not pay for the drug. The client will have to work with their PDP to get the drug covered or switch to another drug on the PDP's formulary.

There are classes of drugs that federal regulations do not require PDP formularies to cover. These classes of drugs are referred to as excluded drugs. NC Medicaid currently covers a subset of these excluded drugs and will continue to cover them for all NC Medicaid clients after January 2006.

The following criteria will be used in determining the drugs that will be covered by NC Medicaid once Medicare Part D is implemented on January 1, 2006:

There will be no coverage for the following excluded drug classes:

1. Agents Used for Anorexia, Weight Loss, Weight Gain
2. Agents Used to Promote Fertility
3. Agents Used for Cosmetic Purposes or Hair Growth
4. Covered Outpatient Drugs which the Manufacturer Seeks to Require as a Condition of Sale that Associated Tests or Monitoring Services be Purchased Exclusively from the Manufacturer or its Designee
5. Erectile Dysfunction Drugs

There will be coverage for the following excluded drug classes if the manufacturer has a rebate agreement with the Centers for Medicare and Medicaid Services and if the drug is a legend drug:

1. Agents Used for the Symptomatic Relief of Cough and Colds (must contain an expectorant or cough suppressant)
2. Prescription Vitamins and Mineral Products, Except Prenatal Vitamins and Fluoride
3. Barbiturates
4. Benzodiazepines
5. Nonprescription drugs covered by NC Medicaid as documented in General Clinical Policy A2 on DMA's website at http://www.dhhs.state.nc.us/dma/mp/mpindex.htm

All claims should be submitted to the PDP first to ensure that they are not covering these products. If denied, the claim can then be submitted to Medicaid through POS with a "03" (other coverage exits-this claim not covered) in the other coverage code field.

NCPDP 1.1

Effective August 1, 2006, the NC Medicaid Program stopped supporting NCPDP, Version 1.1 Batch transmission. The decision to no longer support this transaction was based on lack of requests to use it.

Reminder of Policy on Record Retention

Record Retention (Section 7.1)

10A NCAC 22F.0107 addresses the retention of records by Medicaid providers for Medicaid recipients and states that: "All Title XIX providers shall keep and maintain all Medicaid financial, medical, or other records necessary to fully disclose the nature and extent of services furnished to Medicaid recipients and claimed for reimbursement. These records shall be retained for a period of not less than five years from the date of service, unless a longer retention period is required by applicable federal or state law, regulations, or agreements." (History Note: Statutory Authority G.S. 108A-25(b); 108A-54; 108A-63;1 108A-64; 42 CFR part 455; Eff. April 1, 1988.)

Pharmacy providers submitting paper claim forms must retain a copy of the claim form on site for a period of at least five years. Pharmacy providers utilizing automated data processing systems as record keeping systems must be able to produce sight-readable documents of all original and refilled prescription information. The term sight-readable means that a representative of the State of North Carolina shall be able to examine the record and read the information from a CRT, microfiche, microfilm, or hard-copy printout. These records must be retained on-site for a period of at least five years. Medicaid records must be easily retrievable and kept on-site. Payments that cannot be audited because records are not easily retrievable and on-site are subject to recoupment.

Pharmacy Audits (Section 7.2)

Pharmacy records are audited periodically. The purpose of these on-site audits is to ensure that the contractual agreement with the Division of Medical Assistance (DMA) is being upheld. This contractual agreement between the pharmacy provider and DMA requires that the provider agrees to:

1. file prescriptions numerically and in chronological order on-site, either in normally occurring order with other prescriptions filled by the provider or in a separate file;
2. maintain as a permanent record on-site an individual prescription for each drug submitted for reimbursement;
3. follow rules published by the N.C. Board of Pharmacy for manual and computerized record-keeping related to drug ordering, dispensing, filling, and refilling;
4. preserve these records on-site for a period of at least five (5) years

Response to the NC Board of Pharmacy July Newsletter

Item 2119 in the July 2006 Newsletter suggested that NC Medicaid Auditors were enforcing requirements of a Drug Enforcement Agency (DEA) number for non-controlled prescriptions for purposes of payment. NC Medicaid states that this is not accurate. NC Medicaid does not recoup monies based on missing or incomplete DEA numbers as part of a prescription. This is not an area that is part of routine NC Medicaid Pharmacy audits. Pharmacists are reminded that they can call EDS for claims submission assistance at 1-800-688-6696 and can call DMA for general post payment review audit questions at 919-647-8000.

Policy and Procedures for Prescribing Synagis for RSV Season 2006-2007

For the upcoming RSV season, Synagis will not require prior approval (PA) for NC Medicaid recipients. However, the responsibility for appropriate usage of Synagis will be placed on prescribers and pharmacy providers. The clinical criteria utilized in this policy are consistent with currently published American Academy of Pediatrics guidelines (http://aappolicy.aappublications.org/cgi/content/full/pediatrics; 112/6/1442). Please ensure that the person completing the Synagis criteria form has verified that the conditions exist and are accurate. If a patient does not fit the published criteria and you still wish to prescribe Synagis, you must submit your request to DMA on the *Request for Medical Review for Synagis Outside of Criteria* form and fax the request to DMA at **919-715-1255**.

NC Medicaid will begin coverage of Synagis October 15, 2006. During the season, **no more than five (5) monthly doses of Synagis can be obtained by using these forms. The number of doses should be adjusted if an infant received the first dose prior to a hospital discharge.** Delays in getting a request processed can occur if the patient does not have a Medicaid identification number or the form is not complete.

The criteria form must be signed by the prescriber and submitted to the pharmacy distributor of choice. The criteria form must be maintained at the pharmacy distributor's location. The pharmacy distributor must mail a copy of the submitted forms weekly to DMA. Please mail submitted forms to:

NC Division of Medical Assistance
Pharmacy Program
1985 Umstead Drive
2501 Mail Service Center
Raleigh, N.C. 27699-2501

Pharmacy distributors who do a large volume of Synagis claims are asked to submit information supplied on the criteria forms on a diskette. Please call Charlene Sampson at (919) 855-4306 to coordinate this process.

The Request for Medical Review for Synagis Outside of Criteria form must be signed by the prescriber and faxed to DMA at 919-715-1255. A copy of the approval letter must be maintained at the pharmacy distributor's location. Please refer to the following guidelines when submitting a request:

- **For the following four diagnoses, DOB must be on or after 10/15/04:**

  Chronic Lung Disease of Prematurity (Bronchopulmonary Dysplasia)

  The infant has Chronic Lung Disease (bronchopulmonary dysplasia) and has necessitated treatment (supplemental oxygen, bronchodilator, diuretic, corticosteroid) in the six months before the start of the season.

  Hemodynamically Significant Congenital Heart Disease

  Infants less than 12 months of age who are most likely to benefit include those receiving medication to control CHF, moderate to severe pulmonary hypertension, and/or cyanotic heart disease.

  Infants NOT at increased risk from RSV who generally should NOT receive immunoprophylaxis include: hemodynamically insignificant heart disease such as secundum atrial/septal defect, small VSD, pulmonic stenosis, uncomplicated aortic stenosis, mild coarctation of the aorta, PDA, lesions adequately corrected by surgery unless the infant continues on medication for CHF, mild cardiomyopathy where the infant is not receiving medical therapy.

  Cystic Fibrosis

  The infant has Cystic Fibrosis and either requires chronic oxygen or has been diagnosed with nutritional failure.

Severe Congenital Immunodeficiency

Severe combined immunodeficiency disease or severe acquired immunodeficiency syndrome.

- **Infant is born at an EGA of:**

  ≤ 28 weeks and DOB is on or after 10/15/05
  29-32 weeks and DOB is on or after 4/15/06

- **If born between 32 weeks and 1 day and 35 weeks and 0 days gestation, must be less than 6 months of age (DOB on or after 4/15/06) at the start of the season and have two or more defined risk factors:**

  - School-age Siblings
  - Attends Day Care
  - Severe Neuromuscular Disease
  - Exposure to prolonged wood burning heaters which are the primary source of heat for the family. Tobacco smoke is NOT a risk factor because it can be controlled by the family.
  - Congenital abnormalities of the airways.

- **Request for Medical Review for Synagis Outside of Criteria**

  This form will be used for patients who do not explicitly meet the guidelines whose providers still wish to prescribe Synagis. Please fill out the requested information and fax to DMA at **919-715-1255**. PLEASE NOTE THAT THIS IS THE ONLY FORM THAT **PRESCRIBERS** SHOULD FAX TO DMA.

Medicaid will allow Synagis claims processing to begin on October 10, 2006 to allow sufficient time for pharmacies to provide Synagis by October 15, 2006. Payment of Synagis claims prior to October 10, 2006 and after March 31, 2007 will not be allowed. Pharmacy providers should always indicate an accurate days' supply when submitting claims to NC Medicaid. Physicians and pharmacy providers are subject to audits of Synagis records by DMA Program Integrity.

The Synagis Criteria Form and the Request for Medical Review for Synagis Outside of Criteria Form will be available on the DMA website by September 1 at http://www.dhhs.state.nc.us/dma/prov.htm

Changes in Drug Rebate Manufacturers

Additions

The following labelers have entered into Drug Rebate Agreements and joined the rebate program effective on the dates indicated below:

Code	*Manufacturer*	*Date*
00276	Misemer Phamaceutical, Inc.	07/10/2006
16103	Pharbest Pharmaceuticals, Inc	07/31/2006
20694	Myogen Dickinson	04/27/2006
64720	Corepharma, LLI.	04/01/2006
68546	Teva Neuroscience, Inc.	07/27/2006
68716	KVD Pharma, Inc.	07/31/2006

Reinstated Labelers

Respa Pharmaceuticals, Inc. (Labeler Code 60575) has signed a new rebate agreement and will be reinstated in the drug rebate program effective 10/01/2006.

Terminated Labelers

The following labeler code was terminated effective 07/01/2006:

Code	*Manufacturer*
55953	Novopharm USA, Inc.

Checkwrite Schedule

August 08, 2006	September 06, 2006	October 10, 2006
August 15, 2006	September 12, 2006	October 17, 2006
August 22, 2006	September 19, 2006	October 26, 2006
August 30, 2006	September 28, 2006	

Electronic Cut-Off Schedule

August 04, 2006	September 01, 2006	October 06, 2006
August 11, 2006	September 08, 2006	October 13, 2006
August 18, 2006	September 15, 2006	October 20, 2006
August 25, 2006	September 22, 2006	

Electronic claims must be transmitted and completed by 5:00 p.m. on the cut-off date to be included in the next checkwrite. Any claims transmitted after 5:00 p.m. will be processed on the second checkwrite following the transmission date. POS claims must be transmitted and completed by 12:00 midnight on the day prior to the electronic cut-off date to be included in the next checkwrite.

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EDS